

## Message Text

CONFIDENTIAL

PAGE 01 MANILA 05406 201211Z

47

ACTION EB-07

INFO OCT-01 EA-07 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00

DOT-00 INR-07 NSAE-00 FAA-00 L-03 FMC-01 /028 W

----- 013564

R 200952Z APR 76

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 4192

C O N F I D E N T I A L MANILA 5406

ALSO FOR FMC

E. O. 11652: GDS

TAGS: EAIR, EWWT, RP

SUBJECT: CIVAIR-GOP DECREES ON AIR PREFERENCES

REF: STATE 088804

1. SUMMARY. WE BELIEVE USDEL EXPRESSION OF CONCERN DURING ECONOMIC NEGOTIATIONS OVER PD 894 AND 895 AND OTHER DISCRIMINATORY MEASURES CANNOT BE HAVE SALUTARY EFFECT. WE INTEND TO FOLLOW UP ON LOW KEY BASIS WITH PHILCAB IN EFFORT TO ENSURE THAT DECREES ARE IMPLEMENTED WITHOUT DAMAGE TO U.S. INTERESTS. THERE APPEARS LITTLE LIKELIHOOD THAT WE COULD PERSUADE THE GOP TO AMEND OR FORMALLY NEGATE THE DISCRIMINATORY ASPECTS OF THE DECREES. OUR FURTHER COMMENTS FOLLOW IN THE ORDER RAISED IN REFTTEL.

2. PANAM LOCAL DIRECTOR SAYS HE IS ADOPTING A VIGILANT ATTITUDE TOWARDS DECREES. HE HAS NOTICED A LOSS OF BUSINESS FROM GOP OFFICIALS AND QUASI-GOVERNMENT CORPORATIONS. THERE ARE AS YET NO APPARENT SERIOUS INROADS INTO BUSINESS ARISING FROM COMPANIES UNDER VARIOUS GOP INVESTMENT INCENTIVES ACTS. ON OTHER HAND, NORTHWEST MANAGER IS TAKING A MORE RELAXED ATTITUDE AS 85 PERCENT OF HIS OUTBOUND TICKETS ARE SOLD LOCALLY TO IMMIGRANTS, AND BULK OF INCOMING TRAFFIC CONSISTS OF JAPANESE TOUR GROUPS.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MANILA 05406 201211Z

3. DEPARTMENT OF TOURISM AND VARIOUS PHILIPPINE TOURIST

ORGANIZATIONS ARE NOW CAMPAIGNING FOR "OPEN SKIES" GOP CIVIL AVIATION POLICY. CAMPAIGN IS BEING ACTIVELY SUPPORTED FROM BEHIND THE SCENES BY U.S. AIRLINES, PARTICULARLY PANAM. MAIN REASON FOR CAMPAIGN IS THAT DEPARTMENT OF TOURISM IS BEGINNING TO FEEL PRESSURE OF HAVING TO FILL UP NEW HOTELS WHICH IT HAS BEEN CLOSELY INVOLVED IN PROMOTING. NEW HOTELS WILL ADD 8,000 TO EXISTING 4,000 ROOMS -ON PAR WITH HONG KONG CAPACITY BUT WITH ANNUAL TOURIST INFLUX OF ONLY ABOUT 500,000. MOREOVER, GOP HAS TO FACE UP TO NEED TO INCREASE AIR SERVICES SIMPLY TO TAKE CARE OF 2,400 PERSONS FOR IMF MEETING WHICH ARE EXPECTED TO ARRIVE DURING ONE WEEKEND AND WHO WILL WANT TO LEAVE AT PRACTICALLY THE SAME TIME AT THE END OF THE MEETING. THERE IS NO RELATIONSHIP BETWEEN THIS CAMPAIGN AND PD 894.

4. PROVISIONS IN PD 895 HAVE BEEN UTILIZED TO RAISE LANDING CHARGES AGAINST FLAG CARRIERS OF EIGHT COUNTRIES, LED BY AUSTRALIA AND SINGAPORE. CHARGES FOR U.S. AIRLINES REMAIN UNCHANGED. JAPANESE EMBASSY HAS "EXPRESSED ITS CONCERN" TO DFA OVER DISCRIMINATORY NATURE OF NEW LANDING CHARGES FOR JAL, STATING THAT THIS IS CONTRARY TO BILATERAL AIR SERVICES AGREEMENT AS WELL AS ARTICLE 15 OF CHICAGO CONVENTION.

5. FYI. JAPANESE COUNSELOR TSUTSUMI STATED THAT CURRENT GOJ ATTITUDE TOWARDS TWO DECREES IS TO REACT AGAINST ANY SPECIFIC DISCRIMINATORY STEP. DEMARCHE ON NEW LANDING CHARGES IS ONLY GOJ REACTION SO FAR. ON OTHER HAND, GOJ IS MUCH MORE CONCERNED OVER SHIPPING ASPECTS OF DECREES AND IS AWAITING RESULTS OF DISCUSSIONS WITH COTTON CLUB. END FYI.

6. REGARDING GROUND HANDLING QUESTION, NEITHER PANAM NOR NORTHWEST EXPECT THE AIRPORT ADMINISTRATION TO IMPLEMENT THE PAL MONOPOLY RIGHT AWAY. IN ANY CASE, AIRLINES ARE GIVEN THE OPTION OF UNDERTAKING THEIR OWN GROUND HANDLING REQUIREMENTS. BOTH PANAM AND NORTHWEST USE THE SAME GROUND SERVICES CONTRACTOR.

7. IF A FINE WERE TO BE LEVIED ON PAL FOR THE JULY 1974  
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 MANILA 05406 201211Z

DC-10 FLIGHT, GOP RETALIATORY ACTION WILL LIKELY BE TAKEN AGAINST PANAM FOR "ILLEGALLY OBTAINING" SPECIAL AUTHORIZATIONS FOR CARRYING FREIGHT IN EXCESS OF THE 8,181 KILOS PER MONTH AUTHORIZED FOR FORMER PANAM MILITARY AIR CARGO FREQUENCY. PHILCAB APPEARS TO HAVE BUILT A CAREFUL CASE AGAINST PANAM, AND RETALIATION WILL LIKELY BE SLIGHTLY MORE THAN A TIT FOR A TAT.  
STULL

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DISCRIMINATION, LAW, AIRLINES, GOVERNMENT REACTIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 20 APR 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** KelleyW0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976MANILA05406  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D760149-0098  
**From:** MANILA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760444/aaaabkxj.tel  
**Line Count:** 115  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 STATE 88804  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** KelleyW0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 26 MAY 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <26 MAY 2004 by buchant0>; APPROVED <20 SEP 2004 by KelleyW0>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CIVAIR-GOP DECREES ON AIR PREFERENCES  
**TAGS:** EAIR, EWWT, RP, US  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006